

## **Attachment 5**

### **Detailed Three-Year Financial Strategic Plan Reductions FY 04 through FY 06**

### **5.1.1 General Administration and Management**

CATEGORY	FY 04		FY 05		FY 06		THREE YEAR TOTAL		% OF THE SOLUTION
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
General Administration and Management	(\$7,065,675)	-71.53	(\$3,225,783)	-14.50	(\$1,050,071)	-10.00	(\$11,341,529)	-96.03	13.2%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Reduce Management Staffing	Reductions in management staffing over the three-year period would total close to 25 percent (48 positions) in General and related fund programs, with an estimated annual savings of \$5.3 million by the end of the three-year period.	Reorganization and consolidation of department responsibilities would be required with single focused management positions being collapsed with other managerial responsibilities. Managers would have to expand their breadth of responsibility, workload and oversight. Could also increase workload to non-management staff.
2	Reduce Administrative and Support Staff Positions	Administrative and support staffing levels would be reduced throughout General and related fund departments. Administrative analyst, clerical, customer service and other positions would be reduced over the three years, with a significant portion of the changes taking place in FY 04.	Increased response time for information requests and special studies would result. Analyses currently performed on a regular basis may be delayed. Increased use of technology would be explored to offset the impact of proposed reductions, including expanded use of the Internet and automated phone systems for conducting City business.

### **5.1.1 General Administration and Management**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
3	Reduce Supplies and Professional Development	Reduced memberships in professional organizations, attendance at professional conferences and administrative supply budgets.	Professional development opportunities will be limited with increasing focus on local training opportunities. Reduced supply budgets will fall in line with staffing reductions.
4	Reduce Insurance Premiums and Consulting Services	Reductions would be made to annual insurance premiums and insurance consulting services.	Reductions to annual insurance premiums would result in increased deductible costs in the case of a significant incident. In addition, risk management staff would increase internal insurance review functions.

## **5.1.2 Employee Compensation, Benefits and Work Practices**

<b>CATEGORY</b>	<b>FY 04</b>		<b>FY 05</b>		<b>FY 06</b>		<b>THREE YEAR TOTAL</b>		<b>% OF THE SOLUTION</b>
	<b>Dollars</b>	<b>FTE</b>	<b>Dollars</b>	<b>FTE</b>	<b>Dollars</b>	<b>FTE</b>	<b>Dollars</b>	<b>FTE</b>	
<b>Employee Benefits and Work Practices</b>	<b>(\$3,370,982)</b>		<b>(\$15,074,275)</b>	<b>-1.00</b>	<b>(\$4,967,441)</b>	<b>-0.50</b>	<b>(\$23,412,698)</b>	<b>-1.50</b>	<b>27.2%</b>

<b>#</b>	<b>RECOMMENDED REDUCTION</b>	<b>DESCRIPTION</b>	<b>IMPACT</b>
1	Employee Support of Benefits and/or Change of Work Practices	A spending reduction equivalent to 10 percent of the General Fund budget for wages and benefits is proposed over the three years; a majority of the reduction would take place in FY 05, since that is the year the City begins paying for retirement (PERS) costs again (from 1998 to 2004 the City of Long Beach had excess pension assets and was not required to make PERS payments). This reduction could be made up of any combination of negotiated items that comprise employee compensation for management and non-management employees. In addition, it is recommended that a new tier of retirement be added for new employees reversing the enhanced retirement benefits added last year. Retirement counseling would also be curtailed.	All changes in this area are subject to negotiation with employee labor unions. Cost reductions may include increasing employee contributions for retirement, health or other benefits, changes to negotiated compensation for specific skills and work requirements or reduced benefits or compensation. For example, the value of full employee pick-up of the employees' portion of retirement costs would save approximately \$17.0 million per year; a \$50 per month dependent healthcare premium payment or \$100 per family premium payment would result in \$2 million in savings. The previously negotiated 3 percent miscellaneous employee wage increase in FY 04 will cost about \$3.0 million. No cost increase for public safety employees is factored into this plan; those union contracts are currently under negotiation.

### **5.1.3 Contracting Opportunities**

CATEGORY	FY 04		FY 05		FY 06		THREE YEAR TOTAL	% OF THE SOLUTION	
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
Contracting Opportunities	(\$976,381)	-28.23	(\$1,808,013)	-70.41	(\$1,000,000)		(\$3,784,394)	-98.64	4.4%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Further Contracting of Custodial Services	Over the three-year period, expanded contracting of custodial services would include City Hall, the Police Department, Long Beach Energy and Parks, Recreation and Marine, with estimated savings of \$700,000.	Expanding custodial service contracting should have no negative impact on the level of service provided since specifications would be developed to include all services currently provided with at least the same frequencies of service. Since the contracts would be implemented over the three-year period, it is expected that employees would be offered retraining for openings in other areas of the organization as they become available.
2	Contracting of Weed Abatement Services at Public Lots	Weed abatement services for public lots provided by Parks, Recreation and Marine would be performed on an as-needed basis by a private contractor resulting in approximately \$67,000 in annual savings in FY 04.	There would be no reduction in service levels since specifications would include current services. Timeliness of response may improve since service requests would not be limited by the size of the current workforce. It is expected that the current employees performing this function may be absorbed into other position vacancies.

### **5.1.3 Contracting Opportunities**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
3	Contracting of Street Landscape Maintenance	Street landscape maintenance provided by the Public Works Department would be contracted with a private contractor over the three-year period, with anticipated savings of approximately \$746,000.	Maintenance of street medians and other street landscape functions would remain consistent with current levels of service since contract specifications would reflect current service levels. Contracts would be implemented geographically over the three-year period, allowing for possible employee transition to other positions in the City.
4	Contracting El Dorado Park Grounds Maintenance and Park Refuse Services	Expanded contracting of El Dorado Park maintenance to include all landscape maintenance functions and contracting of current park refuse services are estimated to save over \$300,000, which would begin in FY 04 and be fully realized by the end of FY 05.	Current service levels would be sustained since contract specifications would reflect current levels. It is intended that employees be transitioned over the two-year period to other positions in the City.
5	Contracting-In or Out of Additional City Services	Further contracting opportunities would be explored to generate savings of approximately \$2.0 million; areas to be assessed include surveying, helicopter maintenance, reprographics, fleet maintenance, parking enforcement, technology services, towing operations, billing and collection functions and street sweeping. Savings may be higher depending upon the outcome of these assessments.	Service levels currently provided by City staff would remain consistent since contract specifications would reflect current service levels. If a decision were made to contract-in services from other agencies, capacity to support the additional services would have to be available to ensure no reduction in service to Long Beach residents and businesses.

### **5.1.4 Operational and Organizational Changes**

CATEGORY	FY 04		FY 05		FY 06		THREE YEAR TOTAL		% OF THE SOLUTION
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
Operational and Organizational Changes	(\$5,275,668)	-18.60	(\$1,627,087)	-16.04	(\$38,048)	-0.95	(\$6,940,803)	-35.59	8.1%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Consolidate Department Functions and Improve Operational Efficiency	This reduction would consolidate and maximize the efficiency of several operations across many departments. Examples include but are not limited to sharing secretarial support, reorganizing customer services and parking control functions, reorganizing the Fire Department's records system, video production services, renegotiating contracts, consolidating Health facilities supervision, restructuring inventory systems, and reviewing certain operations to minimize cost and maximize cost reimbursements. Projected savings may total \$3.3 million over three years.	Due to consolidation, some positions would be reduced in hours or eliminated completely. There would be some reductions in the timeliness of some non-core services provided. Core services would take top priority over some of the less critical City-provided services, and resources may be diverted to core service areas.

### **5.1.4 Operational and Organizational Changes**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
2	Reduce Centralized Technology Support Functions	This reduces funding for internal support functions such as computer server support, network management, PC equipment support, e-mail services, Internet and Intranet development and support, applications development, and technology project funding. Projected savings may total \$960,000 over three years.	All City departments use these support functions and would have to reduce their demand for services from the current service level. Some services may have to be contracted out on a per service basis if a critical need exists. These reductions must be managed with reductions in General Administration and Management, as the City becomes more dependent on technology and reduces the size of its administrative staff.
3	Shift Eligible General Fund Costs to Alternative Funding Sources	Transfer some current General Fund costs to other funds to ensure full cost recovery for services provided. Examples include increasing use of Proposition C funds to support eligible transportation costs, use of Health Fund money to relieve the General Fund match of public health grants, and full cost recovery from other City funds. Projected savings may total \$1.6 million over three years.	Maximizing use of non-General Fund resources would play a critical role in maintaining core services. Shifting eligible costs to Proposition C and Health Funds also impacts the City's ability to use those funds for other projects and programs.



### **5.1.4 Operational and Organizational Changes**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
4	Change Non-Critical Gas Field Service Response Times	Reductions in the number of positions, budgeted overtime and associated equipment used to provide non-emergency gas services on a next business day basis beginning in FY 04 for an annual savings of approximately \$550,000.	The Energy Department currently has above average next business day response times within a two-hour window to calls for service such as lighting pilot lights, turning on gas meters and non-critical services. This change would create longer response times, particularly during the winter pilot lighting season. Use of alternative work schedules would reduce the impact of the proposed change.
5	Reduce Electricity, Air Conditioning and Other Energy Costs	The City would save energy costs by continuing the LED traffic light replacement program, slightly raising the temperature in City Hall and Main Library in the summer and lowering it in the winter, and turning the lights out at an earlier time. Projected savings may total \$160,000 over three years.	Employees and the public would use lighting override switches more often, and would work in warmer and cooler environments. The LED program is already underway and has been proven effective, so no adverse impact is expected.
6	Phase Out Compressed Natural Gas (CNG) Program, and Phase In Liquefied Natural Gas (LNG) Program	Closure of a number of the City's CNG satellite fueling stations, and phasing out the CNG program while adopting an LNG program for heavy-duty vehicles over the next three years. Projected savings may total \$350,000 over three years.	The City would still be compliant with AQMD standards for vehicle emissions by purchasing ultra-low emission vehicles and switching to the more cost effective LNG program for heavy-duty trucks.

### **5.1.5 Capital Projects and Infrastructure**

<i>CATEGORY</i>	<i>FY 04</i>		<i>FY 05</i>		<i>FY 06</i>		<i>THREE YEAR TOTAL</i>		<i>% OF THE SOLUTION</i>
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
Capital Projects and Infrastructure	(\$1,257,664)	-3.22	(\$1,101,416)	-6.50	(\$500,000)		(\$2,859,080)	-9.72	3.3%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Defer Gas Pipeline Replacement and Non-Critical Infrastructure Maintenance	Reduce contract for pipeline replacement and other budgeted gas infrastructure maintenance for a total savings of \$1.3 million over the three-year period.	The City is very proactive in its gas infrastructure maintenance, and the City's gas infrastructure is in excellent condition. This reduction would limit the Long Beach Energy Department to addressing critical maintenance only.
2	Reduce Structural Maintenance of Park Facilities	This would be a reduction of \$140,000 for Parks, Recreation and Marine, and reduce the maintenance staffing for City buildings, recreation centers, sports fields and courts.	Reduced maintenance would not affect safety-related repairs, while cosmetic repairs would be addressed as resources become available.

### **5.1.5 Capital Projects and Infrastructure**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
3	Defer Wireless Communications Infrastructure Improvements	Reduce \$150,000 for new wireless communications equipment, upgrades, and infrastructure.	Wireless communications services are provided to 13 City departments and seven outside agencies. This may affect a department's ability to communicate using wireless end user devices; however, critical communications systems would be monitored and maintained to ensure system reliability.
4	Reduce Mini-Park Development Resources	The Parks, Recreation and Marine Department would reduce the resources currently available for mini-park and pocket park development Citywide in FY 05 by \$125,000.	While there would still be some funding available, the Department would rely more on private and non-profit support for mini-park development and actively search for alternative funding opportunities.
5	Explore Alternative Funding Sources for Capital Projects and Reduce Non-Critical Infrastructure Improvements	Staff would explore alternate funding sources for capital improvement projects, so as to relieve General Fund support. The plan includes a total of \$1.1 million reduction of General Fund support for capital projects in FY 05 and FY 06.	Other funding sources would need to be identified to keep funding at its current level and to include a \$500,000 addition for alley sweeping and improvements. Also, the City's commitment to core service areas, including the ADA projects and sidewalk repair program, would not be impacted and would remain fully funded.

### **5.1.6 Maintenance Reductions**

CATEGORY	FY 04		FY 05		FY 06		THREE YEAR TOTAL	% OF THE SOLUTION	
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
Maintenance Reductions	(\$518,385)	-2.62	(\$2,000,706)	-33.00			(\$2,519,091)	-35.62	2.9%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Reduce Grounds and Structural Maintenance on Parks, Ranchos and Undeveloped City Lots	Reduced staffing for park and Rancho maintenance would save \$400,000 beginning in FY 04.	Possible impacts include longer maintenance cycles, more plant growth in parks, and delayed responses to repair of City assets.
2	Curtail Maintenance, Repair and Modification of City Facilities	This is a \$2.0 million reduction in Public Works in FY 05 and results in a significant reduction in current in-house painting, plumbing, HVAC, electrical and carpentry, maintenance and modification service levels.	This would reduce resources available for scheduled maintenance, special projects and emergency response. These crews are currently used to maintain and modify City facilities, as well as provide support to public safety. Facility needs would be prioritized with annual capital project requests.

### **5.1.6 Maintenance Reductions**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
3	Reduce Maintenance on Gas Meter Set Assemblies and Monitoring Equipment	This is a maintenance reduction in FY 04, saving \$110,000, for equipment that monitors the flow of natural gas at gas delivery sites where gas is transferred to the City from the supplier.	Not funding upgrades to the monitoring system would eventually impact the ability to correctly monitor the transfer of natural gas; however, in the short term, this reduction is not expected to have a major impact.

### **5.1.7 Materials, Supplies and Equipment**

CATEGORY	FY 04		FY 05		FY 06		THREE YEAR TOTAL		% OF THE SOLUTION
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
Materials, Supplies and Equipment	(\$3,903,203)	-7.00	(\$876,121)	-5.00			(\$4,779,324)	-12.00	5.6%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Reduce Use of Cell Phones and Pagers	A citywide reduction in the number and use of cell phones and pagers would result in a savings of approximately \$150,000 in FY 04.	Possible impacts include slower staff response time, and reduced communications capability between City employees and the public. In addition, management is implementing a more restrictive City policy that will result in fewer City phones, thus reducing cost, and instead reimburse employees for the use of personal cell phones for City business.
2	Eliminate 400 Light-Duty and 60 Heavy-Duty City Vehicles and Defer Acquisition of Non-Critical Equipment	Reducing the size of the City's fleet over three fiscal years would save approximately \$2.3 million. This requires City departments to turn in vehicles that are not critical to service delivery. Fleet reductions would be made for vehicles used on an intermittent basis. In addition, staff would be required to share vehicles and use them in a more efficient manner.	Employees would be reimbursed for use of their private vehicles for City business through a monthly auto allowance or mileage reimbursement. Some larger projects may be delayed due to the reduction in heavy-duty vehicles. Formation of a motor pool for heavy-duty vehicles will be explored as an option to reducing adverse impacts on projects.

### **5.1.7 Materials, Supplies and Equipment**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
3	Reduce Office Supplies, Furniture, Reprographics, Computer Equipment and Technology	Extending computer replacement cycles to every four years, reducing printing for internal use and community information, deferring furniture purchases, and reductions of office supplies will result in an approximate \$2.3 million reduction in FY 04.	Possible impacts might include fewer publications for public and internal use, heavier reliance on electronic mail and computerized documents, and slower and less capable personal computer systems. A cursory review of industry best practices shows that personal computer cycles are being extended from three to four, and even five, years.

### **5.1.8 Recreation Services**

CATEGORY	FY 04		FY 05		FY 06		THREE YEAR TOTAL	% OF THE SOLUTION	
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
Recreation Services	(\$751,135)	-5.20	(\$1,120,725)	-29.66	(\$42,430)	-0.88	(\$1,914,290)	-35.74	2.2%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Reduce Support to Outside Recreation Service Providers	This reduction will eliminate pass-through funds to outside organizations, such as the Pools of Hope to help support therapeutic aquatic facilities (\$10,500), and the Long Beach Unified School District (LBUSD) for the Summer Playground Program (\$125,000) in FY 04.	Alternative funding should be sought to continue these programs.
2	Eliminate Free Winter Sports Field-Lighting	Free athletic field winter lighting would be eliminated in FY 04, generating \$75,000 in annual savings.	Alternatives to this reduction would be the use of user-fees for lighting costs during the winter.



### **5.1.8 Recreation Services**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
3	Eliminate Staffing at Smaller Parks	In FY 05, staffing at smaller park sites including College Park Estates, Heartwell, Cherry, De Forest and Somerset would be indefinitely deferred, for an annual savings of \$386,000.	Reduction in staffing would limit the amount of supervised recreation activities provided, while still allowing full access to the parks for self-recreation. Furthermore, contract classes and rentals would remain at these sites.
4	Reduce Environmental Educational Programs	Recent enhancements to Environmental Education Programs at the Nature Center would not be fully implemented, eliminating \$250,000 from the FY 04 budget. In FY 06, the Discover Long Beach Parks Program, enhanced by \$102,000 in FY 02, would be scaled back by \$42,000, a 27 percent reduction in current funding, but still more than two years ago.	This reduction would limit the Parks, Recreation and Marine Department's ability to provide environmental education services to youth. The service would continue but enhancements would be scaled back.
5	Reduce Program and Service Support to the Ranchos	In FY 05, support to both Rancho Los Cerritos (\$55,000) and Rancho Los Alamitos (\$131,000) would be reduced, saving \$186,000 annually.	The City would work with the Ranchos to identify other funding.

### **5.1.8 Recreation Services**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
6	Restructure Volunteer Recognition Event	The volunteer banquet would be restructured in FY 04, for a savings of \$35,000, to lower the cost of this recognition event.	Volunteers are a critical resource that enables the City to provide a heightened level of service. However, given the City's dire financial condition, the event should be conducted using a more modest format.
7	Reduce Youth Activities and Services	This reduction eliminates the Olympikid Program in FY 04 for \$43,000. In FY 05, adaptive recreation programs would be reduced by 30 percent (\$71,000), two day camps would be eliminated or provided by an outside organization (\$32,000), the Mobile Skate Park Program suspended indefinitely (\$53,000), and the art program at Miracle Park would be suspended (\$25,000). Free youth sports programs would be reduced by 36 percent saving \$300,000.	These actions will reduce the opportunities for children Citywide to be exposed to recreation, competition and leisure. This returns the Youth Sports Program to FY 01 funding levels.

### **5.1.8 Recreation Services**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
8	Reduce Teen and Adult Activities and Services	This reduction would consolidate the Teen Volunteer Program with Teen Center Programs in FY 04 for an annual savings of \$22,000. Also in FY 04, there would be a reclassification of recreation staff in Adult Sports, saving \$17,000. In FY 05, Season II of the Midnight Basketball program would be eliminated, creating \$15,000 in savings.	Consolidation of the Teen Volunteer Program with Teen Centers will reduce dedicated staff and funding for this program. Teen Center coordinators would take over this function, reducing citywide activities and coordination. Elimination of Season II of Midnight Basketball would reduce the opportunities for at-risk youth to engage in productive athletics. Season I would still continue as programmed.
9	Reduce Senior Activities and Services	In FY 04 this reduction would indefinitely defer the Senior Olympics Program for \$31,000 in savings, and shift funding for the Senior Transportation Program from the General Fund to eligible Transportation Funding, saving \$50,000 annually. In FY 05, the Senior Center Coffee Shop would be closed, saving \$26,000, and staffing for the Club on the Green Senior Center would be eliminated, saving \$26,000.	The proposed reductions to Senior Programming would reduce recreational opportunities for seniors, though core senior services will remain intact.
10	Reduce Non-Personnel Costs of the Summer Food Program	In FY 04, \$21,000 would be reduced from the costs of this program.	There are no foreseeable impacts to the delivery of this service.

### **5.1.9 Library Services**

<i>CATEGORY</i>	<i>FY 04</i>		<i>FY 05</i>		<i>FY 06</i>		<i>THREE YEAR TOTAL</i>		<i>% OF THE SOLUTION</i>
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
Library Services	(\$846,876) -11.83						(\$846,876) -11.83		1.0%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Reduced Hours of Operation at Various Branches	Starting in FY 04, this reduction would close the Main Branch one day a week (\$172,000), reduce evening hours at Los Altos and El Dorado branch libraries to levels consistent with the other branches (\$10,000) and eliminate Sunday hours at the Bay Shore branch (\$18,000).	Eliminates Sunday and evening access to certain branches, reduces online resources and Family Learning Centers for area youth.
2	Reduce Books/Materials Budget	An FY 03 enhancement to the books and materials budget would be indefinitely deferred, returning the budget to FY 02 levels.	The proposed reduction is equivalent to approximately 8,591 books and equals a 13.7 percent reduction in the recently enhanced material/book budget.
3	Reduce Substitute Librarian Staffing	This reduction would reduce the substitute librarian budget by 626 hours (\$15,000) in FY 04.	May result in longer waits for assistance and curtails outreach to schools and community organizations by 10 percent.

### **5.1.9 Library Services**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
4	Institute Rolling Closures of Neighborhood Libraries	Starting in FY 04, this reduction would close ten of eleven neighborhood libraries one day per week, while maintaining service four days per week; the eleventh library would continue to be open six days. Estimated savings would be \$417,000 annually.	A system of rolling closures is preferred over the outright closure of two branches, which would leave geographic areas completely un-served. The schedule of closures would be planned to provide patrons the opportunity to go to an alternate nearby location on the day their neighborhood branch is closed.

### **5.1.10 Public Safety Support and Related Services**

% OF THE SOLUTION									
CATEGORY	FY 04		FY 05		FY 06		THREE YEAR TOTAL		
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
Public Safety Support and Related Services	(\$3,656,426)	-31.50	(\$2,289,036)	-36.15	(\$2,777,709)	-61.77	(\$8,723,171)	-129.42	10.1%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Reduce Animal Control Staffing	This reduction would impact staff in Licensing Inspection and Animal Control. It is anticipated that \$99,000 would be saved annually, starting in FY 04.	There will be a slight impact on the Bureau's ability to provide field patrol services in responding to animal-related complaints in a timely manner. Also, license enforcement capacity will be modestly diminished.
2	Reduce Patrol Bureau Overtime Usage	Police officers would be reassigned from current public safety support functions into core Patrol services. It is anticipated that this refocusing effort would produce approximately \$1.8 million in annual overtime savings beginning in FY 04, an additional \$1.0 million in FY 05 and \$159,000 in FY 06.	Support services such as Planning, Accident Incident Detail, DARE, Youth Services, Traffic (drug recognition and DUI specialty units), Community Relations, Internal Affairs, Communications, Court Affairs, Administration, Police Athletic League and Graffiti Abatement would be somewhat impacted.

### **5.1.10 Public Safety Support and Related Services**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
3	Reduce Park Ranger Program	A 30 percent reduction in Park Ranger Program staffing would save \$242,000 beginning in FY 06.	This reduction would maintain a force that is still 30 percent larger than in FY 01. With expanding citywide police patrol staffing, and an increased emphasis on community policing, the effect of this reduction should be minimal.
4	Reconfigure and/or Eliminate Police Athletic League (PAL)	This reduction redeploys sworn Police Officers currently providing this service to patrol, backfilling these positions with Parks, Recreation and Marine staff. Although there is a need to increase Parks, Recreation and Marine staff to backfill police staff, the Police Patrol overtime savings generated through the redeployment would offset this cost and would generate additional savings of \$292,000 beginning in FY 04. Further savings of \$282,000 would be generated in FY 06 through the elimination of the program.	This redeployment scenario would save costs while maintaining service levels. Should the service be eliminated, the impact would be the loss of productive opportunities for at-risk youth, which may lead to an increased demand in other areas of the Police Department. Better use of Police Officers would also be realized.

### **5.1.10 Public Safety Support and Related Services**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
5	Transfer Financial Responsibility for School Crossing Guards	This reduction would shift the cost of this critical service from the City to the Long Beach Unified School District (LBUSD). The savings generated by this reduction would be \$750,000 beginning in FY 05 and an additional \$662,000 beginning in FY 06.	Since this reduction is a shift in financial responsibility, not a reduction in service, there are no anticipated impacts to the public. Other service delivery options may also be considered to reduce costs, or development of cooperative service delivery agreements may generate alternative savings.
6	Reduce Clerical, Security and Police Services Support	This reduction would curtail security details and support beginning in FY 04, for an annual savings of \$1.0 million. It would reduce and consolidate clerical functions department-wide for an annual savings of \$470,000 in FY 04 and an additional \$97,000 in FY 05. Also in FY 05, non-career Police Investigators would be reduced for a savings of \$443,000. Lastly, in FY 06, selected non-sworn support positions would be eliminated for a savings of approximately \$1.4 million.	As more Police Officers are deployed to patrol, more support services may be needed. Severe reductions in essential clerical, security and administrative support functions would have an impact on the ability of Police Officers to fulfill their duties in an efficient and effective manner. It is possible that Police Officers would be occasionally used in support functions to fill this void. Management will keep a watchful and critical eye on the impact of these reductions.



### **5.1.11 Public Safety Emergency Services**

CATEGORY	FY 04		FY 05		FY 06		THREE YEAR TOTAL		% OF THE SOLUTION
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
Public Safety Emergency Services	(\$146,676)	-2.00	(\$1,300,000)				(\$1,446,676)	-2.00	1.7%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Eliminate Two Fire Prevention Firefighter Positions	The Fire Prevention Bureau, Code Enforcement section would be reorganized. This reduction would create an annual savings of \$147,000 for the Bureau beginning in FY 04. Remaining staff would absorb responsibilities.	Incumbents would be reassigned to critical firefighter vacancies. There would be no significant degradation of services from this reduction.
2	Adjust Fire Service Delivery Methodology	A study should be initiated to evaluate current staffing and service levels for emergency fire services. It is proposed that annual savings of at least \$1.3 million be achieved through adjusting staffing including administration. Given the criticality of this core service, an independent and thorough study of the City's fire service delivery methodology should be conducted prior to making substantial changes.	Adjustments made to fire service delivery tactics should not compromise the fundamental mission of the Fire Department. These reductions may reduce overtime usage and staffing of some response vehicles. If savings cannot be identified through adjustments to staffing levels, one Fire Station may be closed in FY 05. This would lead to longer response times to affected customers.

### **5.1.12 Arts and Cultural Programs**

CATEGORY	FY 04		FY 05		FY 06		THREE YEAR TOTAL	% OF THE SOLUTION	
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
Arts and Cultural Programs	(\$780,858)	-0.54	(\$300,000)				(\$1,080,858)	-0.54	1.3%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Reduce General Fund Support for the Public Corporation of the Arts (PCA)	This would reduce General Fund annual support for the PCA by 76 percent over a two-year period in FY 04 (\$333,000) and FY 05 (\$300,000), resulting in annual funding of \$350,000 for PCA activities.	The PCA and City arts organizations should seek funding from alternate sources for both programming and administrative support.
2	Reduce Municipal Band Concert Season	The Municipal Band season would be shortened by two weeks (from 8 to 6) beginning in FY 04, resulting in \$97,500 in annual savings.	The total number of concerts for public enjoyment will be reduced by 8 concerts, from 32 to 24, during the summer months.

### **5.1.12 Arts and Cultural Programs**

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
3	Indefinitely Defer Support for Certain Outside Organizations	This reduction would suspend support for the International City Theater (ICT) Summer Youth Conservancy Program and a Folklorico dance program in FY 04. Annual savings generated would be approximately \$71,800.	Eliminating these programs would reduce recreation services for approximately 60 youth who participate in the ICT program and approximately 100 youth who participate in the Folklorico dance program annually. If outside sponsorships or private funding were identified, the programs could be restored.
4	Reduce Funding for the Museum of Art	The funding enhancement of \$350,000 included in the current year (FY 03) budget would be eliminated, returning annual funding levels back to \$319,000.	Private donations and increased memberships would be required to support the Museum at its current operating level. The Museum was recently expanded, and its operating costs correspondingly increased. This reduction, if not backfilled with private funding, could have a devastating effect on the Museum's ability to continue operations at current levels.

### **5.1.13 Communication, Promotions and Special Events**

CATEGORY	FY 04		FY 05		FY 06		THREE YEAR TOTAL		% OF THE SOLUTION
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE	
Communication, Promotions and Special Events	(\$197,441)	-1.00	(\$213,708)	-2.00			(\$411,149)	-3.00	0.5%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Reduce Number of City Publications	Reducing the number and size of City publications would result in savings of \$120,000 in FY 04. The Parks, Recreation and Marine class schedule would be reduced in size; the WAVE newsletter would also be reduced as well as other City promotional materials.	Increasing the use of the Internet and electronic information would play a large role in ensuring effective communication with the public. The City would continue to provide access to critical publications at City libraries.
2	Consolidate Public Information Efforts	Improved coordination of Citywide communication functions would result in reduced staffing by eliminating overlapping functions in different departments and consolidating marketing functions with other staff positions. Savings resulting from these efforts should total \$290,000 in FY 04 and FY 05.	It is anticipated that by reorganizing Citywide public information functions, communication with the public can be sustained, and even improved, and costs reduced.

### **5.1.14 Business Services and Attraction**

CATEGORY							THREE YEAR TOTAL		% OF THE SOLUTION
FY 04		FY 05		FY 06					
Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE		
Business Services and Attraction	(\$312,215) -7.00					(\$312,215) -7.00		0.4%	

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Indefinitely Defer Business Technology Division	The Business Technology Division in the Economic Development Bureau would be eliminated for a total annual savings of \$232,000.	The Business Technology Division, created to address the then growing market of technology firms, was never fully implemented. Division responsibilities would be consolidated with other economic development functions within the Community Development Department.
2	Reduce Development Support Services	This FY 04 reduction would save \$80,500, affecting public improvement requirement determinations for development projects; review for technical accuracy of parcel maps, tract maps, lot line adjustments, and certificates of compliance; processing development agreements; and securing bonds for required public improvements.	This reduction would affect Public Works' response time in providing services to developers, however the services would continue to be delivered.

### **5.1.15 Code Enforcement**

<i>CATEGORY</i>	<i>FY 04</i>		<i>FY 05</i>		<i>FY 06</i>		<i>THREE YEAR TOTAL</i>	<i>% OF THE SOLUTION</i>
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars FTE	
Code Enforcement	(\$184,402)	-3.00	(\$507,931)	-5.76			(\$692,333) -8.76	0.8%

#	RECOMMENDED REDUCTION	DESCRIPTION	IMPACT
1	Restructure Code Enforcement Services, Eliminating Duplication of Effort.	Reductions in staffing for weed abatement, zoning and community code enforcement would be facilitated through restructuring service delivery to eliminate duplication of effort and improve efficiency of code enforcement Citywide.	Several City departments conduct various code enforcement activities. An immediate study of Citywide code enforcement efforts should result in improved efficiency of code enforcement efforts by restructuring service delivery and collapsing duplicate services. If improved efficiencies cannot be achieved, reduced service levels may result.

### **5.1.16 Return on Assets and Marketing Opportunities**

<i>CATEGORY</i>	<i>FY 04</i>		<i>FY 05</i>		<i>FY 06</i>		<i>THREE YEAR TOTAL</i>	<i>% OF THE SOLUTION</i>
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE
Return on Assets & Marketing Opportunities	(\$4,520,000)						(\$4,520,000)	5.3%

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
1	SERRF Profit	The City of Long Beach and the Los Angeles County Sanitation District jointly own the South East Resource Recovery Facility (SERRF). SERRF is projected to generate approximately \$4.0 million of profit per year for the foreseeable future, half of which will accrue to the City. This option would be incorporated into the annual budget adoption process.	Approximately \$2.0 million in FY 04 and beyond.
2	Marketing Opportunities	The City would sell advertising space on certain City vehicles and enter into a marketing agreement with a credit card issuer. This option would require City Council approval.	Approximately \$880,000 in FY 04 and beyond.

### **5.1.16 Return on Assets and Marketing Opportunities**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
3	Signal Hill Fire Services Contract	Recoup full cost of providing fire services to Signal Hill. The City provides these services from Station #23, which is located in Signal Hill and for which the physical property is owned by the City of Signal Hill. Negotiations are currently in progress. The full cost of providing these services, including Fire Department and City overhead, is approximately \$2.2 million; the City is currently reimbursed approximately \$1.0 million per year. The current contract expires on July 1, 2003 and the City has notified Signal Hill of its intention to cease providing services should a mutual agreement not be reached. City Council action will be necessary should negotiations result in an amendment to the existing agreement.	The amount of additional revenue is dependent upon the result of the current negotiations. Should Station #23 be closed, direct costs such as personnel, utilities, materials and supplies amounting to \$1.4 million per year, would be eliminated as would the \$1.0 million of revenue received for providing the services; the net savings would be approximately \$400,000 per year. Fire services to the City of Long Beach are not expected to be negatively affected by closing Station #23, and existing staff would be transferred into vacant fire safety positions.
4	Additional Gas Fund Transfer	Implementation of cost reductions in the Gas Fund is anticipated to produce additional fund balance available for annual transfers to the General Fund. This option would be incorporated into the FY 04 budget process.	Approximately \$500,000 in FY 04 and beyond.



### **5.1.16 Return on Assets and Marketing Opportunities**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
5	RDA Statutory Pass-Through	The City's Redevelopment Agency (RDA) will be transferring to the General Fund what is known as a "Statutory Pass-Through," in accordance with a recent approval by the City Council. The Statutory Pass-Through relates to a specified percentage of property tax increment received by the RDA and that legally can be forwarded to the General Fund. This option will be incorporated into the annual budget adoption process.	Approximately \$780,000 in FY 04 and beyond.

### **5.1.17 New Fees and Taxes**

<i>CATEGORY</i>	<i>FY 04</i>		<i>FY 05</i>		<i>FY 06</i>		<i>THREE YEAR TOTAL</i>	<i>% OF THE SOLUTION</i>
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE
New Fees or Taxes	(\$790,000)		(\$3,830,000)				(\$4,620,000)	5.4%

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
1	Assess Business License Tax on Two and Three Unit Rental Properties	<p>Assess a Business License Tax (BLT) on businesses currently considered exempt including residential rental properties with two or three dwelling units. As a point of reference, the current BLT for residential apartments (four or more units) is \$54.60 base amount plus \$23.97 per unit. Implementation of this change requires voter approval. It is anticipated the tax would be due on July 1 of each year.</p> <p>Also, the Department of Health and Human Services (DHHS) responds to over 700 complaints per year related to two and three unit properties. DHHS would evaluate the need to proactively inspect these dwellings to address health standards. Fees are not in place to recoup the current costs of responding to the complaints.</p>	Approximately \$500,000 in FY 04 and beyond.

### **5.1.17 New Fees and Taxes**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
2	Increase a Preferential Parking Permit Fee	Charge a fee to recoup the cost of providing preferential parking permits. This option would be incorporated into the Fee Ordinance during the annual budget adoption process. This option would require approval from the City Council.	Approximately \$20,000 in FY 04 and beyond.
3	Establish a Natural Gas Production Tax	Apply a tax on natural gas produced by oil operators beginning in July 2004. This tax would be similar to the current tax for oil production and would require voter approval.	Approximately \$120,000 in FY 04 and beyond.
4	Contract for Collections Services for Towing Revenue	Contract with a private collection company to recover lost towing revenue. Lost revenue results when proceeds from the sale of impounded vehicles are less than the amount owed for towing and storage. This option would require City Council approval.	Approximately \$100,000 in FY 04 and beyond.

### **5.1.17 New Fees and Taxes**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
5	Charge an "After-Hours Release" Fee	Charge a \$50 "After Hours Release" Fee for towed cars to recoup operating costs. Customers wanting to retrieve their vehicles after normal operating hours would pay the additional fee. This option would be incorporated into the Fee Ordinance during the annual budget adoption process. This option would require approval from the Recreation Commission and the City Council.	Approximately \$50,000 in FY 04 and beyond.
6	Implement a Fiber Optics Fee	Partner with a private company to utilize such company's proprietary technology to install fiber optics in natural gas pipelines. Charge a fee to fiber optic communications companies for use of the City's gas pipelines. A pilot program is currently underway. City Council approval would be required for the necessary agreements.	Approximately \$200,000 in FY 05 and beyond.

### **5.1.17 New Fees and Taxes**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
7	Increase the Transient Occupancy Tax (TOT)	<p>Increase the Transient Occupancy Tax (TOT) charged to hotel/motel customers. This would increase TOT by 2 percentage points, from 12 percent to 14 percent. Of the current 12 percent tax, the General Fund receives one-half of the TOT revenue generated in the City, with the other half going to either the Redevelopment Agency or the Special Advertising and Promotion Fund, depending on the location of the hotel. New revenue generated by this proposal would all be directed to the City's General Fund. This option to increase the TOT would require voter approval.</p> <p>For reference, the City of Anaheim charges 15 percent and Los Angeles charges 14 percent.</p>	Approximately \$2.2 million to the General Fund in FY 05 and beyond.
8	Implement a 10 Percent Fee on City-Owned Parking Lots	Assess a 10 percent fee on City-owned paid parking lots.	Approximately \$1.4 million in FY 05 and beyond.

### **5.1.17 New Fees and Taxes**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
9	Assess an Admissions Tax	Assess entertainment venue admissions tax. Other municipalities such as Pasadena, San Francisco, Del Mar, and Indian Wells charge such a tax on performing arts, theatres, attractions, museums, sporting events, etc. A fifty-cent tax is estimated to generate \$1.4 million dollars per year. If selected, this option to institute a new tax would require voter approval.	No Admission Tax revenue is included in this proposal.
10	Assess a Port Container Tax	Levy a \$1 per container tax on shipping companies utilizing Port of Long Beach facilities. Approximately 4.6 million containers per year come through the Port of Long Beach. The legality of such a tax would need to be researched. This option would require voter approval.	No Container Tax revenue is included in this proposal.
11	Assess a Library Tax	Assess a Library tax on property owners and dedicate the revenues to operate and maintain the City's libraries. This option would require voter approval.	No revenue is included in this proposal for this option.

### **5.1.17 New Fees and Taxes**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
12	Place Parking Meters in Parks	Install parking meters at parks. Estimated annual revenues for this option approach \$1.0 million. This option would require City Council approval.	No revenue is included in this proposal for this option.
13	Implement Cat Licensing	Institute a voluntary cat licensing program.	No revenue is included in this proposal for this option.
14	Legalize Gambling on the Queen Mary	Legalize gambling on the Queen Mary and immediately adjacent property. This option was mentioned often in the Community Survey. The legality of this option would need to be researched.	No revenue is included in this proposal for this option.

### **5.1.18 Existing Fees and Taxes**

<i>CATEGORY</i>	<i>FY 04</i>		<i>FY 05</i>		<i>FY 06</i>		<i>THREE YEAR TOTAL</i>	<i>% OF THE SOLUTION</i>
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE
Existing Fees or Taxes	(\$5,770,000)						(\$5,770,000)	6.7%

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
1	Increase Civic Center Parking Rates	Increase Civic Center parking rates. Current rates are \$1.00 per 20 minutes, with a maximum of \$6.00 per day, with the first 30 minutes free. The monthly rate is \$40. This proposal would increase the rate to \$1.25 per 20 minutes, with a maximum of \$7.50 per day, with the first 30 minutes free. Validations would be eliminated and the monthly rate increased to \$50. This increase would require City Council approval.	Approximately \$170,000 in FY 04 and beyond.
2	Increase Street Sweeping Parking Violation Rate	Increase street sweeping parking violation rates from \$30 to \$34. The resulting rate is in line with comparable cities. This increase would require City Council approval.	Approximately \$820,000 in FY 04 and beyond.



### **5.1.18 Existing Fees and Taxes**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
3	Increase Other Parking Violation Rates	Increase parking violation rates including: "Exceeded Time Limit" from \$27 to \$30; "No Parking by Sign" from \$28 to \$35; and, "Blue Curb" from \$255 to \$330. These increases would require City Council Approval.	Approximately \$250,000 in FY 04 and beyond.
4	Sunset Business License Tax Discount	The 15 percent Business License Tax (BLT) discount ended ("sunset") on December 31, 2002. This was a pilot program begun in January 2002 and was dependent on the condition of the General Fund budget. No City Council action is necessary.	Over \$750,000 in FY 04 and beyond.
5	Increase Non-Sufficient Funds Fee	Increase returned check (NSF) fees from \$15 to \$25 to recoup actual costs. This will bring the City's NSF fees in line with industry standards. This increase would require City Council approval.	Approximately \$600,000 in FY 04

### **5.1.18 Existing Fees and Taxes**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
6	Increase Late Payment Penalties	Increase late payment fee penalties from 1 percent to 1.5 percent of unpaid balances to recoup actual costs of administering such accounts. Over 330,000 delinquent bills are handled each year. This increase would require City Council approval.	Approximately \$500,000 in FY 04 and beyond.
7	Increase Natural Gas Utility Service Establishment Fee	Increase utility service establishment fee from \$25 to \$35 to recoup more of the actual costs. Industry standard costs to send staff to a residence is \$36, only one-half the actual cost of such services. This increase would require City Council approval.	Approximately \$360,000 in FY 04 and beyond.
8	Increase Natural Gas Utility Service Reconnection Fee	Increase utility service re-connection fee for terminated accounts from \$16 to \$35 to recoup actual costs. This increase would require City Council approval.	Approximately \$225,000 in FY 04 and beyond.

### **5.1.18 Existing Fees and Taxes**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
9	Increase Oil Production Tax	Increase the Oil Production tax from \$0.15 to \$0.25 cents per barrel produced. Many oil companies operate in Long Beach, with the largest being those managed under contract to the City's Department of Oil Properties. This increase would require voter approval. The State of California would absorb much of this cost.	Approximately \$1.5 million in FY 04 and beyond.
10	Increase Adult Sport Fees and the Number of Teams	Increase Adult Sport fees that are currently different for resident and non-resident participants, and for businesses. The average rate increase for an adult sports team would be approximately \$30 to \$40, depending on the sport. This proposal anticipates a modest discount for residents. Increasing such fees requires Recreation Commission and City Council approval. In addition, an increase in the number of adult volleyball and basketball teams is included in this option.	Approximately \$30,000 in FY 04 and beyond.

### **5.1.18 Existing Fees and Taxes**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
11	Apply Business License Tax to Real Estate Agents	Apply business license tax to independent real estate agents that are currently considered independent contractors per the U.S. Internal Revenue Code. This item was referred to the City Council's Economic Development and Finance Committee for consideration on November 6, 2001. If selected, this option should be referred to the City Attorney for an opinion on specific actions that would have to be taken to apply this tax.	Approximately \$200,000 in FY 04 and beyond.
12	Increase Business License Permitting/ Investigation Fees	Increase certain business license fees to cover costs related to permitting and investigations. Several fees have not been adjusted for over a decade and no longer cover related costs. If selected, this option should be referred to the City Attorney for an opinion on specific actions that would have to be taken to apply such fees.	Approximately \$100,000 in FY 04 and beyond.
13	Increase Animal Control Fees	Increase certain animal control fees including dog licenses, impounds, shots, pickup fees and euthanasia fees. Some fees were increased effective October 1, 2002. These fee increases would require City Council approval.	Approximately \$35,000 in FY 04 and beyond.

### **5.1.18 Existing Fees and Taxes**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
14	Reinstate Recreational Swim Fees and Increase Community Pool Swim Fees	Reinstate the \$1 Recreational Swim Fee at Silverado, Millikan, MLK and Jordan pools. The pools are staffed during the summer months and serve mostly youth under 18 years of age. Increase Swim Class fees by \$5 per person. The classes serve citizens of all ages and current fees range from \$20 to \$30 per session. These fees were suspended in FY 00. Increasing such fees requires Recreation Commission and City Council approval.	Approximately \$30,000 in FY 04 and beyond.
15	Increase Certain Public Health Clinical Fees	Increase certain health clinical fees including: travel vaccines, communicable disease clinic pharmaceuticals (except for senior flu and children's vaccinations), physical exams, pregnancy testing, and the monthly medication fee for two or more medications. This option would require City Council approval.	Approximately \$50,000 in FY 04 and beyond.
16	Increase Storage Fees for Towed Vehicles	The City currently charges \$25 per day for storing towed vehicles. This option would increase the rate to \$30 per day and would require City Council approval.	Approximately \$150,000 in FY 04 and beyond.

### **5.1.19 One-Time Revenues/Transfers**

<i>CATEGORY</i>	<i>FY 04</i>		<i>FY 05</i>		<i>FY 06</i>		<i>THREE YEAR TOTAL</i>	<i>% OF THE SOLUTION</i>
	Dollars	FTE	Dollars	FTE	Dollars	FTE	Dollars	FTE
One-time Revenues/Transfers	(\$2,625,000)		(\$3,925,000)		(\$3,925,000)		(\$10,475,000)	N/A

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
1	General Services Fund Transfer	The City's General Services Fund is used to collect fees from other City funds to pay for technology related support services including: desktop, server and mainframe computers, financial systems and communications systems. Other services paid for from this fund include central reprographics, mail services and the City Goods Store. Capital replacement and software development/upgrade projects will be deferred. If selected, this option would be incorporated into the annual budget adoption process.	Estimated transfers of \$625,000 per year could be sustained through FY 06. Transfers beyond these amounts are not considered reasonable.

### **5.1.19 One-Time Revenues/Transfers**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
2	Employee Benefits Fund Transfer	The Employee Benefits Fund is used to collect monies from other City funds to pay for employee sick leave, vacations, health benefits, payroll taxes and pension contributions. In addition, the City's human resource, payroll system management and accounting are also paid for from this fund. Though this fund is not anticipated to experience cash flow deficiencies during the next three years, it is important to note that the City carries a significant unfunded liability related to accrued vacation and sick leave. If selected, this option would be incorporated into the annual budget adoption process.	Estimated transfers of \$1.0 million in FY 04 and \$2.3 million in FY 05. Transfers beyond these amounts are not considered prudent.
3	Airport Fund Loan Repayment	During the mid-1990's, the City's Airport Fund experienced severe financial distress. Until recently, the Airport Fund did not have the financial resources to pay for the full cost of fire services that are funded by the General Fund. This option contemplates a structured repayment schedule for these prior expenses.	Estimated payments of \$500,000 in FY 04, \$1.0 million in FY 05 and FY 06. The amounts include accrued interest.

### **5.1.19 One-Time Revenues/Transfers**

#	POTENTIAL OPTIONS	DESCRIPTION	POTENTIAL AMOUNT OF REVENUE
4	Additional One-Time Gas Fund Transfer	The desired operating reserve for the Gas Fund of 10 percent could be maintained if this one-time transfer is selected.	Estimated at \$500,000 for FY 04.
5	Utilize or Sell City Hall East	City Hall East, at northeast corner of Long Beach Blvd. and 1 <sup>st</sup> Street, is serving as the temporary Police Headquarters until FY 05. This option contemplates assessing the feasibility of moving other City operations that currently lease private office space into this facility. The option of selling the building, its parking structure and nearby surface parking lot should also be considered.	Rough estimate of \$2.3 million in FY 06.
6	Insurance Fund Transfer	<p>The Insurance Fund was established by the City Charter to finance and account for the City's risk management and self-insurance programs, including general liability and workers' compensation programs.</p> <p>Transfers from the Insurance Fund are not considered feasible at this time.</p>	No transfers were included in this proposal.